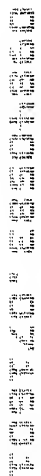


#



# FIG. 1B

22

COMBINE DATABASE "4" AND DATABASE "5" INTO NEW DATABASE NAMED: "INDEX"

24

CREATE CONSTANT "NUMBER"; "NUMBER" = "USER DEFINED" TOTAL NUMBER OF OPEN END MUTUAL FUNDS TO BE INCLUDED WITHIN THE DATABASE "INDEX"

26

CREATE CONSTANT NAMED "CALCULATION" WHERE "CALCULATION" = "USER DEFINED" CHOICE OF < EQUALLY PRICE WEIGHTED >, < CAPITALIZATION WEIGHTED >, < GEOMETRICALLY WEIGHTED >, OR < CUSTOM WEIGHTED >

28

CREATE FORMULA: "OPTIMAL RISK/RETURN (T)" WHERE "OPTIMAL RISK/RETURN (T)" = "TOTAL RISK/RETURN (T)" - "TOTAL RISK/RETURN (T-1)" IF "TOTAL RISK/RETURN (T)" < "TOTAL RISK/RETURN T-1" THEN REPEAT UNTIL "TOTAL RISK/RETURN" YIELDS A GROUP OF FUNDS WHERE NUMBER = "NUMBER" AND NO OTHER COMBINATION OF FUNDS YIELDS A LOWER RISK/RETURN RATIO OVER TIME (T) AND NAME "FINAL INDEX"

30

CREATE FORMULA "TOTAL RISK/RETURN" WHERE "TOTAL RISK/RETURN" = SUM (TOTAL RISK FOR ALL FUNDS IN INDEX/TOTAL RETURN FOR ALL FUNDS IN INDEX) FOR TIME PERIOD (T)

32

PRINT OUT A CHART OF "FINAL INDEX" FOR TIME (T). RETURN TO BOX 10 TO REPEAT

FIG. 2

